

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF CONTINENTAL TELEPHONE)	
COMPANY OF KENTUCKY OF AN)	CASE NO. 8861
ADJUSTMENT IN ITS RATES)	

O R D E R

PROCEDURAL BACKGROUND

On July 15, 1983, Continental Telephone Company of Kentucky ("Continental") filed notice with the Commission proposing to increase its intrastate telephone rates for service rendered effective August 4, 1983. The proposed rates would increase Continental's local revenue by \$5,503,242 annually, an increase of approximately 34.4 percent over normalized local service revenue. Through numerous amendments, and revised exhibits, Continental reduced its requested rate adjustment to \$5,288,447. Proposed changes in depreciation methodologies represent approximately \$1.2 million of the revised request.

On July 22, 1983, the Commission suspended the proposed rates until January 4, 1984, to conduct public hearings and investigate the reasonableness of the proposal.

A hearing was held on November 1, 1983, with the Consumer Protection Division of the Attorney General's Office ("AG") being the sole intervenor. Briefs were filed by November 22, 1983.

This Order addresses the Commission's findings and determinations on issues presented and disclosed in the hearings and investigation of Continental's revenue requirements and rate design and provides rates and charges that will produce an increase in annual revenues of \$1,935,565.

COMPANY BACKGROUND

Continental is a wholly-owned subsidiary of Continental's Telecom, Inc. ("Telecom") (formerly Continental Telephone Corporation). Continental operates in all or part of 20 counties in the Commonwealth of Kentucky, having its principal office in London, Kentucky. Continental serves approximately 57,847 customer access lines.

ANALYSIS AND DETERMINATIONS

TEST PERIOD

Continental proposed and the Commission has accepted the 12-month period ending April 30, 1983, as the test period in this matter.

VALUATION METHODS

Net Investment

Continental proposed a Kentucky intrastate net investment rate base of \$55,865,609^{1/} at April 30, 1983. The Commission has accepted the proposed rate base with one exception. Continental proposed an adjustment to its depreciation expense to reflect end-of-period plant in service and the change in depreciation methodology previously allowed by the Commission in Case No. 8428, Notice of Continental Telephone Company of Kentucky of an Adjustment of its Intrastate Rates, but failed to make a corresponding adjustment to its reserve for depreciation. Thus, the Commission has increased Continental's reserve for depreciation by \$1,415,548^{2/} to reflect additional depreciation expense allowed herein.

Therefore, the Commission has determined the appropriate Kentucky intrastate net investment rate base at April 30, 1983, to be \$54,450,061, calculated as follows:

Telephone Plant In Service	\$ 85,622,869
Plant Under Construction	1,385,153
Less: Depreciation Reserve	<u>23,038,807</u>
Net Telephone Plant	63,969,215
Add: Materials and Supplies	432,195
Less: Deferred Income Taxes	9,785,191
Pre 1971 Investment Tax Credit	54,889
Plant Allocated To Direct Sales	<u>111,269</u>
Total Rate Base	<u><u>\$ 54,450,061</u></u>

Capital Structure

Continental proposed an adjusted end-of-test year capital structure of \$61,522,233 which contained 53.61 percent long-term debt, 2.19 percent preferred stock, and 44.2 percent common equity.^{3/} The adjustment to the test-year end capital structure was to delete the unamortized debt expense of \$77,792 from the total amount of long-term debt.^{4/} The Commission is of the opinion that the amount outstanding of long-term debt should be utilized in determining the capital structure.

Continental's combined (total interstate and intrastate) adjusted capitalization at April 30, 1983, was \$66,067,312 including the balance in Unamortized Investment Tax Credits - Revenue Act of 1971 ("JDIC") of \$4,545,079.^{5/} JDIC has been allocated to each component of the capital structure on the basis of the rates of each component to the total capital structure excluding JDIC. The Commission is of the opinion that this treatment is entirely consistent with the requirement of the Internal Revenue Service ("IRS") that JDIC receive the same overall return allocated to common equity, debt and preferred stock.

The Commission has reduced capital by the amount of plant allocated to the unregulated direct sales program of \$136,090.^{6/} This reduction has been made to reflect capital supporting utility operations only and has been assigned to the capital components based on the accepted capital structure.

Therefore, the Commission has determined the combined capital devoted to utility operations to be \$65,931,222. The Commission has allocated combined capital to intrastate operations based on the ratio of intrastate net investment to combined net investments of .8276^{7/} resulting in intrastate capital of \$54,564,680 as follows:

	<u>Combined</u>	<u>Intrastate</u>	<u>Structure</u>
Common Equity	\$ 29,102,041	\$24,084,849	44.14%
Preferred Stock	1,443,894	1,194,967	2.19%
Long-Term Debt	35,385,287	29,284,864	53.67%
Total	\$ 65,931,222	\$54,564,680	100.00%

REVENUES AND EXPENSES

For the 12 months ending April 30, 1983, Continental had intrastate net operating income of \$4,208,972.^{8/} In order to reflect current operating conditions Continental proposed several adjustments to revenues and expenses that resulted in an adjusted test period intrastate net operating income available for return of \$4,166,524.^{9/} The Commission has determined the appropriate level of adjusted test period net operating income available for return from intrastate operations to be \$4,984,137.

In its analysis of Continental's operations, the Commission has accepted the majority of the revised pro forma adjustments including the changes in toll revenue from changes in the SPF and the Popenoe Plan, the 1983 wage adjustments including a reduction of 20 employees, employee concessions, and normalized end-of-period local service revenues. In the following sections the Commission will

outline the adjustments which it did not accept and other adjustments made to Continental's intrastate net operating income:

Depreciation

In its filing for adjustment of rates Continental included the effects of increased expense due to proposed changes in its depreciation rates for various categories of plant equipment. The depreciation cost study associated with the revised depreciation rates was filed on September 27, 1982, and updated on May 27, 1983, to bring the previously filed calculations forward to December 31, 1982. The depreciation study was made subject to the Commission's regulation (807 KAR 5:064), which sets out a methodology for periodically reviewing and setting a telephone utility's depreciation rates through the process of rescription by the Commission.

The regulation requires that an initial meeting be held following the filing of the study, and this was accomplished on June 16, 1983. At the meeting Commission staff posed several questions which were answered by written response filed July 5, 1983. On August 9, 1983, Commission staff issued its proposal of revised depreciation rates. A meeting was held on September 8, 1983, at which time a tentative settlement was reached between Continental and Commission staff concerning appropriate parameters for each plant account.

On October 5, 1983, notice was sent to each party in the current rate proceeding outlining the tentative settlement and inviting comment as specified in 807 KAR 5:064. No comments were filed during the specified 30-day period. Since agreement was reached on all plant accounts, and no objections were raised, the Commission has approved the revised rates. Continental was advised by letter dated November 29, 1983, that it has the authority to begin booking the revised rates effective January 1, 1984.

Continental originally proposed depreciation rates which would increase annual depreciation expense by \$1,857,761 on an intrastate basis. The settlement agreement referenced herein would increase annual depreciation expense by \$1,223,442 and is the amount which has been included in operating expenses for rate-making purposes.

ITC Amortization

During the test period Continental amortized investment tax credits ("ITC") on an intrastate basis of \$262,944.^{10/} This tax credit is brought about by Continental's investment in qualifying plant in service and is flowed back to the ratepayer in the form of decreased federal income tax expense over the useful life of the investment which brought about the tax credit. In Case No. 8428 this Commission allowed Continental to change its methodology in determining depreciation rates which results in a revision of service lives for Continental's investment in rate base. This change in depreciation methodology is

being implemented by the Commission in this proceeding.

The Commission is of the opinion that the amortization of ITC should also reflect the change in service lives allowed by this Commission and has increased the intrastate amortization of ITC by \$106,539^{11/} which results in a corresponding reduction to Continental's federal income tax expense.

Attrition

Continental proposed to decrease its net operating income by \$601,030^{12/} for its proposed attrition adjustment. Continental did not perform a quantitative analysis to determine the specific factors which should be considered in arriving at an attrition adjustment, but simply determined from an adjusted 24-month historical trend that revenue per access line was decreasing.^{13/} Continental did not perform any studies to determine if this trend was due to its investment in rate base or to determine the effects that individual investments in rate base have on Continental's ability to earn the level of revenues allowed by this Commission.^{14/}

An allowance for attrition is not allowed by this Commission as it is neither known nor measurable and can be offset by changes in productivity and management efficiency. To allow a selective adjustment for attrition would eliminate any incentive for a company to improve its operations; no adjustment of this type would ever exist in pricing a product in a competitive environment. Further the Commission by

allowing adjustments beyond the end of the test period for Continental's operations and by using Continental's end of period rate base has taken into consideration the known and measurable future changes in operations which provide Continental adequate coverage for future changes that could potentially erode the level of earnings allowed by this Commission.

The Commission has, therefore, increased Continental's net intrastate operating income available for return by \$601,030. This adjustment has no income tax effect.

Erosion Adjustment

Continental proposed to increase its intrastate operating expenses by a total of \$247,122^{15/} in order to take into consideration an adjustment for "erosion." This adjustment was calculated by subtracting from the pro forma expenses all amounts specifically adjusted on a pro forma basis to determine the amount not adjusted. This unadjusted amount was then increased by an estimated inflation factor of 5.67 percent.^{16/}

It is the Commission's long-standing policy to deny any adjustment based solely on projected inflationary trends as projections of future trends cannot be characterized as being both known and measurable. Therefore, the Commission has increased Continental's intrastate net operating income by \$125,439.

Toll Revenue

Continental and South Central Bell ("SCB") use the cost method for determining Continental's share of toll revenues generated by the Kentucky intrastate toll network. Thus, Continental receives from SCB its actual intrastate toll operating expenses plus a return and matching taxes on its Kentucky intrastate toll rate base. The return paid Continental by SCB is SCB's achieved overall return from its intrastate operations. In this proceeding Continental has determined the return for the test period to be 10.11 percent, which the Commission has accepted.

Using Continental's methodology and incorporating other Commission adjustments to rate base, operating expenses and income tax deductions, the Commission has reduced Continental's intrastate toll revenue to \$7,177,020, a decrease of \$76,901. Thus, the Commission has reduced Continental's intrastate operating income by \$39,035.

Affiliated Transactions

The Commission in Case No. 8659, Notice of Continental Telephone Company of an Adjustment in its Rates, informed Continental that in its next general rate proceeding the Commission expected to see more testimony and exhibits specifically identifying the responsibilities and objectives of Continental's various corporate affiliates and definitive studies showing the cost effectiveness of its organizational structure.^{17/} On October 7, 1983, Continental filed its Report on Operation Cost Effectiveness in an effort to comply

with this directive. No total productivity study or cost effectiveness studies were included in this report or filed separately in this proceeding. Continental's witness, Mr. Marvin Krehmeyer, Assistant Vice President of Regulatory Matters, employed by Contel Service Corporation, testified that he believed it would be misleading to single out one item over another and that to effectively evaluate Continental's organizational structure it is necessary to look at the total operation of Continental.^{18/} The Commission agrees that an evaluation of Continental's organizational structure should include an examination of the total operations of Continental; it should also include an examination of the various components which make up that whole. An organization may be cost effective overall and still include components that of themselves are not cost effective. The possibility of Continental's ratepayers providing revenues in excess of those otherwise required to pay for these services is of great concern to this Commission.

Since 1978 Continental's license contract expenses have increased by 84.5 percent. The consumer price index ("CPI") for this same time period increased 45.3 percent. Any increase of this size is a concern of this Commission, and should be of Continental's management.

The Commission wishes to remind Continental that the burden of proof of the reasonableness of all its expenses lies with Continental. In future rate proceedings the Commission will expect Continental to provide definitive studies showing that each of the major services provided to Continental by its service corporation are on a cost effective basis before the cost of such services will be included in the determination of Continental's revenue requirements.

The AG in its brief stated that one-fourth of Continental's expenses exclusive of depreciation and taxes is paid to affiliated companies and argued that the increases in affiliated company expenses should be tied to increases in the CPI.^{19/} Given the lack of total productivity or cost effectiveness studies, the Commission feels that this treatment should be given to the license contract fee and it has, therefore, been so treated.

In this proceeding Continental proposed to include intrastate license contract fees of \$539,337. In Case No. 8659, this Commission allowed intrastate license contract fees of \$479,249. This amount inflated by the CPI for the same time period is \$484,521. Therefore, after adjusting for taxes the Commission has increased Continental's intrastate net operating income available for return by \$27,825.

Manpower Reductions

Continental's witness and financial analyst, Ms. Ann Vaffis, stated in her prefiled testimony that the expense decreases due to employee reductions would not have been made without the inclusion of Continental's proposed attrition adjustment.^{20/} However, Ms. Vaffis stated at the November 1, 1983, hearing that of the projected reduction of 20 employees, 15 had already been eliminated and that she was unable to quantify whether the investment associated with eliminating all 20 employees had already been included in test period net investment rate base.^{21/}

The Commission is of the opinion that Continental could not have estimated the number of employees to be reduced from increased productivity unless it were aware of projects which had been completed or were under construction that would result in such productivity increases. Therefore, the Commission is of the opinion that this adjustment as first proposed by Continental is correct and should continue to be reflected in Continental's adjusted test period operations.

Excess Deferred Taxes

In Case No. 8428, the Commission amortized over 5 years Continental's excess deferred taxes resulting from the reduction in the federal corporate income tax rate from 48 to 46 percent effective January 1, 1979. In its Order entered June 18, 1982, in Case No. 8428, the Commission discussed this adjustment in detail. In order to avoid repetition, the

discussion herein has been limited and the Commission's opinion in Case No. 8428 is incorporated by reference.

Since Continental's operating expenses for the test period reflect the amortization of excess deferred taxes required by the Commission,^{22/} no additional adjustment is found necessary in this instance.

Interest Synchronization

Continental proposed intrastate interest expense for rate-making purposes of \$2,430,356. The Commission continues to be of the opinion that its past treatment of JDIC is proper and consistent with IRS regulations and such treatment will be continued in this proceeding. However, as this issue is currently before the Kentucky Court of Appeals (Continental Telephone Company v. Public Service Commission, 82-CA-2657-Mr) and a final decision is imminent, the Commission finds it reasonable to adopt, in this proceeding, its recent decision regarding this issue in Case No. 8734, Adjustment of Rates of Kentucky Power Company, in its Order of October 31, 1983. In that proceeding, at the request of Kentucky Power Company to avoid additional judicial review of this issue, the Commission stated that if a final decision should be adverse to the Commission's position, it would consider a rate adjustment to generate the revenues associated with JDIC. As in Case No. 8734, this same provision in our present Order should eliminate the need for judicial appeal of this matter.

At this time, in accordance with past practice, the Commission has applied the cost rates applicable to long-term debt to the JDIC allocated to the debt components of the capital structure. Using the capital structure allowed herein, the Commission has computed a net interest reduction of \$8,500 which results in an increase to income taxes of \$4,185.

Private Line and Foreign Exchange Service Revenue

The AG in its brief stated that private line and foreign exchange service revenues should be increased in the same manner as toll service revenues since Continental concurs in SCB's tariffs.^{23/} The adjustment alluded to by the AG is dependent upon the Commission's actions in SCB's current rate proceeding, Case No. 8847, which at this time has not been decided.^{24/} Therefore, it is the Commission's opinion that the adjustment proposed by the AG is neither known nor measurable and is hereby denied.

Summary of Adjusted Net Operating Income

The Commission, based on the foregoing analysis, has determined Continental's appropriate intrastate adjusted test period net operating income available for return to be \$4,984,137, as set out below.

	<u>Proposed</u>	<u>Adjustments</u>	<u>Reasonable</u>
Operating Revenues	\$23,924,841	<\$ 76,901>	\$23,847,940
Operating Expenses	<u>19,157,287</u>	< 293,484>	<u>18,863,803</u>
Net Operating Income	\$ 4,767,554	\$216,583	\$ 4,984,137
Attrition	<u>601,030</u>	< 601,030>	<u>-0-</u>
Net Operating Income Available for Return	\$ 4,166,524	\$817,613	\$ 4,984,137

RATE OF RETURN

Cost of Capital

Continental proposed a debt cost of 8.67 percent on a pro forma 1983 financing basis. This percentage includes \$4 million of additional debt that was to have been issued in 1983.^{25/} Per testimony of Continental's witness, Dr. Paul J. Garfield, economist with the firm of Foster Associates, Inc., this amount of additional debt had not been issued as of the hearing date.^{26/} The AG stated in its reply brief that these financings were neither known nor measurable as of the date of the hearing and, therefore, should be rejected.^{27/} In light of the uncertain nature of these financings and the fact that no application for the approval of additional financing has been submitted before the Commission at this date, the Commission is of the opinion that the pro forma debt cost should be rejected and that the embedded cost of 8.27 percent based on the outstanding amount of long-term debt at the end of the test year is reflective of Continental's actual costs.

Continental proposed a 9.32 percent cost rate based on the outstanding preferred stock at April 30, 1983.^{28/} The Commission is of the opinion that this rate is reasonable for preferred stock.

Dr. Garfield recommended a 16.75 percent return on equity based on a discounted cash flow ("DCF") analysis and a risk premium analysis.^{29/} Dr. Garfield selected a reference group of nine independent telephone companies to use as a proxy for Continental, since Continental has no publicly traded stock. Based on market data for the reference group, Dr. Garfield used an 8 percent current dividend yield and an 8 percent growth rate component in his DCF calculation.^{30/} He then increased the current dividend yield by 8 percent (the growth rate) to determine the 8.64 percent expected dividend yield.^{31/} The 8.64 percent expected dividend yield plus the 8 percent growth component gave Dr. Garfield a DCF determined cost of equity of 16.64 percent.^{32/}

Dr. Garfield also performed three variations of the risk premium analysis to determine a cost of equity of 16.75 percent.^{33/} One method estimated the required differential between the expected return on the reference group's common stock and the return on government bonds over the past 10 years.^{34/} The other two methods were based on the spread between the return on equity, as determined by the Capital Asset Pricing Model ("CAPM"), and government bonds.^{35/}

The Commission has reservations about certain parts of Dr. Garfield's testimony. The 8 percent growth component used by Dr. Garfield was based on historical growth rates in dividends, earnings and book value per share, for the nine independent telephone companies. Six of the independent telephone companies in Dr. Garfield's reference group were also listed in Value Line. The average projected dividend growth rate for the six companies was 5.3 percent and the projected dividend growth rate for Continental Telecom was 5.5 percent, all according to Value Line.^{36/} Dr. Garfield did not perform a DCF analysis specifically for Continental Telecom but he did include Continental Telecom in his group of nine independent telephone companies. Performing a DCF analysis for the reference group, using the 5.3 percent Value Line growth rate or for Continental Telecom using the 5.5 percent growth rate, would indicate a much lower required return on equity than Dr. Garfield recommended. Further, Dr. Garfield factored a 10 percent margin into his dividend yield to reflect financing costs and underpricing.^{37/} Continental has no publicly traded stock and the average selling expenses for Continental Telecom's most recent stock issue was about 4.7 percent.^{38/} At the hearing, Dr. Garfield agreed that market fluctuations, resulting from the sale of stock, can be positive as well as negative.^{39/} He also agreed that shelf registrations of common stock and dividend reinvestment plans can help a company reduce financing costs.^{40/} The Commission is of the opinion that including a 10 percent margin in the

cost of equity, to reflect financing costs and underpricing, is excessive and would tend to overstate the true return required by investors.

As in prior rate cases, the Commission has serious reservations as to the validity and usefulness of the risk premium analysis. The spread between the returns on equity and bonds fluctuates over time and in some time periods is negative. Clearly, an historical average risk premium added to a current bond rate is a poor indicator of the required return on equity. Dr. Garfield agreed that historical averages are generally poor predictors of specific future relationships, particularly in markets as subject to change as the bond and stock markets.^{41/}

The AG did not sponsor a rate of return witness. However, in its brief, the AG recommended a 13.5 percent return on equity for Continental.^{42/} The AG stated that Continental Telecom should be used as a proxy for Continental. According to the AG, a DCF calculation for Continental Telecom and Dr. Garfield's composite group would yield a 13 to 13.5 percent return on equity, after adjusting for overstatements of the growth and yield components.^{43/} The AG also cited Continental's solid equity ratio and its high level of internally generated funds as evidence of Continental's relatively low level of risk.^{44/}

The Commission is frequently told that a company's market to book ratio must be in excess of 1 to protect shareholders from a dilution of earnings resulting from the

sale of new equity at a price below book value. Continental has no publicly traded stock but it does have a ready market for its common equity through Continental Telecom. Continental's allowed return and earnings influence, albeit indirectly, the market price of its parent's common equity. At the time of the hearing, Continental Telecom's market to book ratio was in excess of 1.1.^{45/} Currently, Continental Telecom's market to book ratio is in excess of 1.25, which is the minimum margin of safety, even according to Dr. Garfield.^{46/}

After considering all of the evidence, including current economic conditions, the Commission is of the opinion that a range of returns on equity of 13.75 to 14.75 percent is fair, just and reasonable. A return on equity in this range would not only allow Continental to attract capital at reasonable costs to insure continued service and provide for necessary expansion to meet future requirements, but also would result in the lowest reasonable cost to the ratepayer. A return on common equity of 14.25 percent will allow Continental to attain the above objectives. The Commission recognizes the possible increase in the risk of Continental, associated with changes in the telecommunications industry, including the breakup of American Telephone and Telegraph Company. However, Continental has a solid, conservative capital structure and benefits from its subsidiary relationship with Continental Telecom.

Rate of Return Summary

Applying rates of 8.27 percent for long-term debt, 9.32 percent for preferred stock and 14.25 percent for common equity to the capital structure approved herein produces an overall cost of capital of 10.93 percent. The additional revenue granted herein will provide a rate of return on net investment of 10.95 percent. The Commission finds this overall cost of capital to be fair, just and reasonable.

AUTHORIZED INCREASE

The additional revenue required based on the rate of return found fair herein is computed as follows:

Required Net Operating Income	\$ 5,963,920
Adjusted Net Operating Income	\$ 4,984,137
Deficiency	\$ 979,783
Deficiency Adjusted for Taxes and Uncollectibles (.5062)	\$ 1,935,565

EQUIPMENT REQUIRED TO MEASURE LOCAL USAGE

Testimony was presented on the subject of measuring and billing for local telephone usage. Although Continental does not offer such a service presently, the Commission is concerned about expenditures on equipment used to measure and record local calling. This is particularly true in electromechanical switching offices, but is also true in terms of incremental expenditures to provide measuring and billing capability in software controlled central offices. It is the Commission's intention to provide a more general forum to address local measured service policy in the near future.

CENTRAL OFFICE SWITCHING EQUIPMENT RETIREMENTS

Considerable testimony was presented on the subject of central office switching equipment retirements. Continental uses discounted cash flow analysis when determining whether a central office switch should be replaced.

Discounted cash flow analyses are performed to estimate as closely as possible the cash flows which will occur in a specific plan of operation over a given period of time. When considering whether to replace a central office, several plans are studied, including the present method of operation, and the plan with the lowest total net present value of cash outflows over the study period is considered the most economical. The actual period of time that the new equipment remains in place is essential in determining the accuracy of the cash flow analysis. If the equipment does not remain in place for the duration of the study period, then the results of the analysis which showed that its placement was economical did not reflect the true situation, and thus the analysis was inaccurate in its determination of actual savings in total net cash outflows.

If a switching facility remains in operation for a substantially shorter period of time than its cash flow analysis provided for, then it is possible that it could have had a greater total net cash outflow over its life than its predecessor would have had over the same period. In this case the previous equipment should have never been replaced.

The Commission is very concerned that Continental may have proceeded with its central office modernization problem without adequate consideration of the interests of its ratepayers. Therefore, at least 6 months prior to the requisition date of any central office switching equipment, Continental shall provide the Commission with documentation to support the proposed replacement. This information should include, at a minimum, the demand forecast for the exchange involved, the discounted cash flow analysis for all alternatives considered, and any other information which the Commission may require. The burden of proof shall rest with Continental to demonstrate that the best interests of its ratepayers are served by the proposed replacements.

RATE DESIGN

Continental proposed rate adjustments in basic exchange service, directory listings, mileage charges, and miscellaneous service arrangements and auxiliary equipment. Continental proposed to allocate 95 percent of its revenue request to basic exchange service, which would cause basic exchange rates to increase 50 percent. The Commission does not concur with Continental's distribution of revenue requirement in this case and has made various changes to Continental's distribution of revenue. The Commission has substantially reduced the allocation of revenue requirement to basic exchange service, consistent with the concept of residual pricing. The authorized increase to basic exchange rates is approximately 13 percent.

The Commission will authorize an increase to directory listings as proposed by Continental.

Continental did not propose to increase revenue from service charges in this case, but did propose to restructure its service charges tariff, primarily to introduce time and materials rates for premises labor and installation supplies. In past Orders relating to Continental and other telephone utilities the Commission has linked service charges pricing with the expensing of station connections on a 4-year phase-in plan. The Commission will continue this practice until the expensing of station connections process is completed. Phase 4 filings in expensing of station connections cases are scheduled to occur in 1984. As concerns the restructure of the service charges tariff, the Commission is of the opinion that the restructure is reasonable and should be approved as filed.

In Case No. 8659 the Commission ordered Continental to file cost information concerning mileage pricing in this case. Continental filed a cost study, which indicates that mileage rates are grossly deficient. According to the cost study, mileage rates would have to increase 797 percent to become compensatory. In the opinion of the Commission, such an increase at one time would be an untenable burden to Continental's customers. Therefore, the Commission will approve Continental's proposed increase to mileage rates of 22 percent; however, in the future Continental should continue its efforts to make mileage rates compensatory.

Continental did not propose to increase foreign exchange service. However, the Commission will authorize an increase to foreign exchange service consistent with the increase to basic exchange service and increase foreign exchange mileage rates consistent with the increase to other mileage rates.

Continental did not propose to increase miscellaneous service arrangements and auxiliary equipment and obsolete service offerings. Information filed by Continental indicates that services and equipment in these areas are compensatory in the aggregate; however, the Commission is of the opinion that services and equipment in these areas should share in the burden of the additional revenue requirement. Therefore, the Commission will authorize a uniform 10 percent increase to miscellaneous service arrangements and auxiliary equipment and obsolete service offerings, with the exception of call traps, which is a new service offering.

The rates in Appendix A are designed to yield the additional revenue authorized in this Order as follows:

Local Exchange Services	\$ 1,337,380
Directory Listings	20,703
Mileage	235,824
Foreign Exchange Service	2,196
Miscellaneous Service and Equipment	34,430
Obsolete Service Offerings	<u>305,032</u>
Total	\$ 1,935,565

FINDINGS AND ORDERS

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

(1) The rates proposed by Continental would produce revenues in excess of those found reasonable herein and should be denied upon application of KRS 278.030.

(2) The rates and charges in Appendix A are the fair, just and reasonable rates and charges for Continental to charge its customers for telephone service.


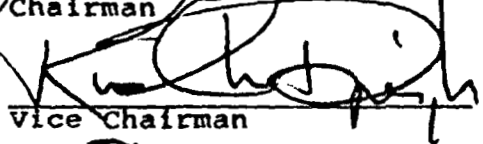

IT IS THEREFORE ORDERED that the proposed rates and charges in Continental's notice of July 15, 1983, be and they hereby are denied.

IT IS FURTHER ORDERED that Continental be and it hereby is authorized to place into effect the rates and charges in Appendix A for all service rendered on and after January 4, 1984.

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Continental shall file its tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 4th day of January, 1984.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary

FOOTNOTES

1. Exhibits in support of an increase in rates filed July 29, 1983. Witness 2, Vaffis, Schedule 2, Item 1.
2. Public Service Commission ("PSC") data request, dated October 7, 1983, Item 1. Total increase in depreciation expense of \$1,731,981 x intrastate factor of .8173.
3. Garfield Testimony, exhibit page iii.
4. Ibid., Page 34.
5. PSC data request, dated July 25, 1983, Item 11(L).
6. Exhibits in support of an increase in rates, filed July 29, 1983. Witness 2, Vaffis, Schedule 2, Item 1.
7. $\$54,450,061 \div 65,790,791 = .8276$.
8. PSC data request, dated October 7, 1983, Item 1, Page 6 of 61.
9. Applicant's hearing exhibit No. 4, Vaffis revised supplemental schedule 1A.
10. Exhibits in support of an increase in rates, filed July 29, 1983. Witness 2, Vaffis Schedule 3, Item 29.
11. PSC data request, dated November 15, 1983.
12. PSC data request, dated October 7, 1983, Item 1, and Vaffis supplemental, Schedule 3A, filed October 7, 1983.
13. Testimony in support of an increase in rates, filed July 29, 1983. Witness 2, Vaffis, page 49-53.
14. Transcript of Evidence ("T.E."), November 1, 1983, pages 56-58.
15. PSC data request, dated October 7, 1983, Item 1, Pages 8-13 of 61.
16. Ibid., Item 3.
17. Commission's Order in Case No. 8659, Notice of Continental Telephone of Kentucky of an Adjustment in its Rates, issued April 18, 1983, page 21.
18. T.E., November 1, 1983, page 85.

19. AG's Brief, page 4.
20. Testimony in support of an increase in rates, filed July 29, 1983. Witness 2, Vaffis, page 52-53.
21. T.E., November 1, 1983, pages 69-71.
22. Exhibits in support of an increase in rates, filed July 29, 1983. Witness 2, Vaffis, Schedule 3, Item 29.
23. AG's Brief, page 2.
24. T.E., November 1, 1983, pages 74-76.
25. Garfield Testimony, pages 12 and 31.
26. T.E., November 1, 1983, page 89.
27. AG's Brief, page 5.
28. Garfield Testimony, page 31.
29. Ibid., page 53.
30. Ibid., pages 51 and 52.
31. Ibid., page 52.
32. Ibid.
33. Ibid., page 53.
34. Continental's Brief, page 6.
35. Ibid.
36. T.E., November 1, 1983, page 100.
37. Ibid., page 104.
38. Ibid., page 105.
39. Ibid., page 106.
40. Ibid.
41. T.E., November 1, 1983, page 109.
42. AG's Brief, page 5.
43. Ibid., page 6.

44. Ibid.

45. T.E., November 1, 1983, page 103.

46. Ibid., page 103. The 1.25 market to book ratio was derived using the 11/29/83 price for Continental Telecom, as quoted in The Wall Street Journal.

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8861 DATED January 4, 1984.

The following rates and charges are prescribed for customers in the area served by Continental Telephone Company of Kentucky. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

GENERAL EXCHANGE TARIFF

LOCAL EXCHANGE SERVICE

VI. MONTHLY ACCESS LINE RATES

<u>Access Line</u>	<u>Rate Group</u>					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
<u>Business</u>						
1-Pty.	\$ 24.99	\$ 25.61	\$ 26.23	\$ 26.78	\$ 27.91	\$ 27.97
4-Pty.	16.66	17.10	17.47	17.77	18.15	18.52
Business						
Trunk	69.17	70.72	72.15	73.76	75.20	76.75
Key Line	52.64	53.82	55.13	56.30	57.49	58.67
Semi-public	41.52	42.45	43.32	44.25	45.12	46.05
Multi-line	37.48	38.40	39.34	40.14	41.08	41.95
<u>Residence</u>						
1-Pty.	14.60	14.97	15.35	15.54	16.09	16.53
4-Pty.	11.31	11.50	11.87	12.06	12.36	12.56
Key Line	31.26	31.94	32.76	33.13	34.18	35.05
Multi-line	21.94	22.49	23.06	23.31	24.11	24.80

LOCAL EXCHANGE SERVICE

	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>Special*</u>
<u>Business</u>						
1-Pty.	\$ 28.65	\$29.27	\$ 29.89	\$ 30.51	\$ 31.08	\$ 22.96
2-Pty.	-	-	-	-	-	20.20
4-Pty.	18.83	19.26	19.51	19.88	20.33	15.29
<u>Business</u>						
Trunk	78.37	79.92	81.41	82.90	84.39	63.13
Key Line	59.97	61.28	62.45	63.64	64.83	48.24
Semi-public	47.04	47.98	48.90	49.72	50.66	37.91
Multi-line	42.94	43.88	44.81	45.74	46.61	34.43
<u>Residence</u>						
1-Pty.	16.85	17.28	17.65	18.02	18.39	13.43
2-Pty.	-	-	-	-	-	11.83
4-Pty.	12.74	13.11	13.30	13.61	13.86	10.39
Key Line	35.74	36.54	37.29	37.97	38.78	24.12
Multi-line	25.29	25.91	26.48	27.03	27.60	20.12

• Cumberland Exchange

SERVICE CHARGES

I. DEFINITIONS

A. Service Charge

- (5) Inside Wire - Applicable to wire used in a new installment or a move of a standard connector and/or terminal equipment. Three types of wiring arrangements are available.
- (6) Standard Jack - Applicable to the jack installed on the subscriber's premises which is required due to a subscriber's request to provide basic service.
- (7) Inside Premises Charge - Applicable for work done on the customer's premises in connection with the installation, move or change of each single-line telephone set and each item of auxiliary terminal equipment as specified in other sections of the tariff. It also applies to the activities performed in Section I.A.(5) a., b., & c. and the installation of item (6) above.
- (12) Equipment Work Charge - Applicable for inside moves or changes of auxiliary terminal equipment other than those described in the inside premises labor charge definition above. Rates vary and are specific by type of move.

II. APPLICATIONS

B. Service Order Charges

- (1) A service order charge is applicable in addition to the appropriate premises visit, central office work, and/or inside premises labor charge(s).

F. Inside Wire

- 1. Inside wire relates to the inside wire used for a new installation or a move of a jack or an item of terminal equipment and, on a per location basis, to PBX station lines terminating in the common equipment of a key system. Inside wire is used in pre, post and concealed wiring activities.
- 2. The Company shall reserve the right to refuse to install or maintain wiring in a location where, in the opinion of the Company, the safety of the workmen or continuity of service might be questionable.

SERVICE CHARGE

G. Standard Jack - Applies to the connecting device which has springs that make electrical contact with mating contacts of a plug.

H. Inside Premises Charge

1. An inside premises charge is applicable for work done at the customer's premises in connection with the installation, move or change of each single-line telephone set and each item of auxiliary terminal equipment or service as specified in other sections of the tariff. It also applies to the installation of each jack at the subscriber's request, as well as the installation of inside wiring required for new installations or a move of a jack or an item of terminal equipment, and on a per location basis, to PBX station lines terminating in the common equipment of a key system.

2. Inside premises charges do not apply:

a. When an in-place station which is connected through a connector block or four-prong jack is converted to a standard modular jack connection.

b. For work required in the installation of equipment or service features for which an installation charge is specified unless noted along with the offering of individual items of equipment or service features.

c. See II. A. 8.

III. SCHEDULE OF CHARGES

B. Time spent by Company personnel for doing work inside the customer's premises shall be billed on a time and material basis.

The activities included are those described under Section II. F., G. and H. The rates for inside premises labor and the related materials are as follows:

Inside Premises Labor

Per one-half hour or fraction thereof, for time spent doing work within the premises

\$ 8.65

SERVICE CHARGE

Materials	
Inside Wire, per foot	\$ 0.02
Jack	
Standard	2.10
Other	See Section 13, Sheet 4

IV. MISCELLANEOUS CHARGES

B. Inside Moves or Changes of Auxiliary Terminal Equipment

(1) The charges for a move or change, of each item of auxiliary terminal equipment such as key system sets, key and PBX common equipment, data sets, etc., are specified in a., b. or c. below.

c. A charge based on the cost of labor and material required on the premises for the move or change, (Inside Premises Charge).

DIRECTORY LISTINGS

I. DIRECTORY LISTINGS

B. Directory Listing Charges:

1. Regular Extra Directory Listings are as follows:

Regular extra listings are furnished at \$1.50 per month each for business listings and \$1.25 per month each for residence listings except when the Local Exchange Section provides a different charge for extra listings at the particular exchange.

2. Alternate Call Number Listings are as follows:

The monthly rate for each alternate call number listing is \$1.50 per month each for business listings and \$1.25 per month each for residence listings, except when the Local Exchange Service provides a different charge for extra listings at that particular exchange.

C. Special Types of Extra Listings

6. Unlisted Numbers

An unlisted telephone number is one for which no listing appears in the alphabetical section of the directory. The number is listed in the information records and is given out upon request. A charge of \$1.25 per month is made for each unlisted line.

7. Nonpublished Numbers

A nonpublished telephone number is one for which no listing appears in the alphabetical section of the directory or in the Information records. Calls are completed to such stations only when the number is given by the calling party. A charge of \$2.25 per month is made for each nonpublished line.

MILEAGE

III. MILEAGE CHARGES

A. General

1. The following mileage charges apply in connection with primary sets or private branch exchange systems which are located outside the base rate but within the exchange area and are in addition to the base rate quoted for the class of service furnished.

Individual line or private branch exchange
trunk line per one-fourth mile or fraction
thereof, per month\$ 1.25

Two party line, per one-fourth mile or fraction
thereof, per month, each main station 0.80

2. The following mileage charges apply on tie-lines and off-premises sets between subscriber locations within the same exchange.

Continuous Property - applies to all classes of
telephone service except paystations.

Off-premises Sets -

Per one-tenth mile or fraction thereof,
per month\$ 1.35

Tie Lines -

Per one-tenth mile or fraction thereof,
per month 1.10

Non-continuous Property - applies only to individual
lines or trunks. Distance is measured by cable route
between sets.

Off-premises Sets -

Per one-tenth mile or fraction thereof,
per month\$ 1.35

Tie Lines -

Per one-tenth mile or fraction thereof,
per month 1.10

IV. PRIVATE LINE FACILITIES

C. Rates

1. Within the same central office area

For each private line facility within the same central
office area (except commercial radio broadcast loops).

Per one-tenth circuit mile, per month \$ 0.85
Inside Premises Charge, per terminal Basic

FOREIGN EXCHANGE SERVICE

I. FOREIGN EXCHANGE SERVICE

B. Rates

2. Local Channels

Per Month

When foreign exchange channels are routed through the normal central office, the charge per circuit or fraction thereof between the normal central office and the applicant's location.

\$ 4.05

PRIVATE BRANCH EXCHANGE SERVICE

IV. RATES

A. Trunks	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
1. Local Central Office, each	See Section 3	See Section 4
2. Foreign Exchange, each	See Section 9	Basic
3. Tie Lines, each	See Section 8	Basic

MISCELLANEOUS SERVICE ARRANGEMENTS AND
AUXILIARY EQUIPMENT

XIII. JACK EQUIPMENT

B. Rates

Equipment Work
Charge

1. Data Equipment
Universal - miniature, eight-position
jack used for either fixed-loss loop
or programmed types of data equipment,
per jack \$ 47.30

Programmable - miniature, eight-position
jack used only with programmed types of
data equipment, per jack..... 47.30

2. Key and PBX System
50-Pin Miniature Ribbon Connector used
to connect Key and PBX systems to the
telephone network, multiple ancillary
devices connected to the network,
recording equipment, multiple installa-
tions of either fixed-loss loop or
programmed types of data equipment, and
to connect various other equipment
arrangements per jack..... 52.15

XIX. TOUCH CALLING SERVICE

B. Rates

Monthly
Rate

Inside Premises
Charge

Business, per line

\$ 2.45

Basic

Residence, per line

1.85

Basic

XXII. RADIO PAGING SERVICE

C. Rates

1. All exchanges as service
becomes available.

a. Radio Paging Service
including one receiver,
batteries not included

Tone Paging

24.20

See Section 4

Voice Paging

31.90

See Section 4

MISCELLANEOUS SERVICE ARRANGEMENTS AND
AUXILIARY EQUIPMENT

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
b. Additional Receiver, each		
Tone	\$ 17.30	See Section 4
Voice	24.95	See Section 4

XXIV. CUSTOM CALLING SERVICES

C. Rates

	<u>Monthly Rate</u> <u>Per C.O. Line Equipped</u>	
	<u>Residence</u>	<u>Business</u>
Call Forwarding	\$ 1.55	\$ 2.45
Three-Way Calling	1.85	2.75
Call Waiting	1.55	2.75
Speed Calling (8 code)	1.55	2.45
Speed Calling (30 code)	1.55	5.45
Packages:		
1. Call Forwarding - Call Waiting	2.75	4.85
2. Speed Calling (8 code) - Call Waiting	2.75	4.85
3. Call Forwarding - Call Waiting - Speed Calling (8 code)	4.25	7.30
4. Call Forwarding - Call Waiting - Speed Calling (30 code)	5.45	9.70
5. Call Waiting - Three-Way Calling	3.05	5.20
6. All Features (Not including 30 code)	6.05	10.05

XXV. CALL TRAP SERVICE

A charge of \$47.50 will be applied to a customer's bill when the telephone company, at the customer's request, implements "call traps" for tracing nuisance calls.

INTERCONNECTIONS WITH COMMUNICATIONS
PROVIDED BY THE CUSTOMER

VII. MAINTENANCE OF SERVICE DUE TO THE CONNECTION OF CUSTOMER-
PROVIDED EQUIPMENT OF OTHER FACILITIES

A. Maintenance of Service Due to the Connection of
Customer-Provided Equipment or Other Facilities

Per maintenance service call -	\$34.10 first hour of fraction thereof 17.05 each additional 1/2 hour thereafter or major part thereon, continues with first hour
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OBSOLETE SERVICE OFFERINGS

100.2 MISCELLANEOUS SERVICE ARRANGEMENTS AND AUXILIARY EQUIPMENT

100.2.1 Automatic Answering Equipment

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
Model 200A	\$ 17.95	Basic

**100.2.2 Automatic Answering and
Recording Service**

Code-A-Phone Model 370	12.00	Basic
Code-A-Phone Model 525	24.90	Basic
Code-A-Phone Model 560	30.80	Basic
Model 222	14.95	Basic
Model 333	24.45	Basic
Model 555	32.85	Basic
Model 700	29.85	Basic

Additional Equipment for Above Models

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
a. Multi-line adapter (three line capacity), each	\$ 11.75	\$ 11.15
b. Tone Oscillator for Model 555	3.00	Inside Premises Charge, Section 4
c. Earphone (X100-121), for Model 700	1.40	54.45
d. Footswitch (X00-099), for Model	1.60	54.45

100.2.3 Automatic Dialer Equipment

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
Select-A-Call Ten (10 line capacity)	\$ 11.50	Basic

The Automatic Dialer is available with the following
capacities:

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
Automatic Dialer with 400 line capacity tape	\$ 14.95	Basic
Additional tape cartridges		
400 line capacity	-	Basic
1000 line capacity	-	Basic
Teletronics AD9 8 digit single address dialer	7.50	Basic
Teledialer 32	16.60	Basic
100.2.4 Telephones (Special & Standard)		
100.2.4.a. <u>Decorator Telephones</u>		
Candlestick Telephone (Rotary)	6.30	Basic
Cradle Telephone (Rotary)	7.85	Basic
100.2.4.b. <u>Panel Telephones</u>		
Basic panel - for single line	4.30	Basic
100.2.4.c. <u>Outdoor Telephone Sets</u>		
B. Rates		
Metal enclosed set Rotary	7.05	Basic
100.2.4.d. <u>Explosive Atmosphere Telephone Equipment</u>		
B. Explosive atmospheric telephone sets, explosive atmospheric signals and signal control equipment must be used in locations where explosive gases (other than acetylene) are present but must not be used in locations where acetylene gases may be present.		
Wall type or pedestal set, each	\$ 13.05	Basic
Hand set, each	19.00	Basic

OBSOLETE SERVICE OFFERINGS

100.2.4.e. Amplifying Equipment

B. Rates	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
Amplifying Equipment	\$ 2.35	Basic
Push to Talk Handset	1.85	Basic
Confidencer (noise cancelling trans- mitter)	2.75	Basic

100.2.4.f. Hands Free Telephone Set (Speakerphone)

B. Rates	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Speakerphone set Rotary	\$ 17.20	Inside Premises Charge, Section 4
Companion II Speakerphone	10.70	\$ 32.70

100.2.4.g. Princess Telephone

A. Rates	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
Princess Telephone Rotary	\$ 4.20	Basic
Touch Calling	4.70	Basic

100.2.4.h. Trim-Line Telephone

B. Rates		
Trim-Line Telephone Rotary	5.10	Basic
Touch Calling	5.60	Basic

100.2.4.i. Externally Mounted Telephone Loudspeaker (Orator Type)

B. Rates	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
	\$ 3.00	Basic

OBSOLETE SERVICE OFFERINGS

100.2.4.j. Standard Telephone Sets

B. Rates	Monthly Rate	Inside Premises Charge
Standard Telephone Set		
Business - Rotary	\$ 2.20	See
Business - Touch Calling	3.05	Section
Residence - Rotary	2.20	
Residence - Touch Calling	3.05	4

100.2.5 Buzzer Circuits and Push
Button Pads

B. Rates		
Each button or asso- ciated buzzer	1.00	Basic
Battery supply for buttons and buzzers (and other uses)	4.05	Basic

100.2.6 Electronic Sentry System

B. Rates		
Yale Telemergency Alarm Dialer DC 8C, single channel	19.95	Basic

100.2.7 Headsets

A. Headset applique unit for key set (plug)	1.55	Basic
B. Plantronics Headset (star set), model H5-0110-1A equipped with lock and push to talk switches, four wire, and ten foot cord	4.95	Basic

OBSOLETE SERVICE OFFERINGS

100.2.8 Emergency Call System/Fire Reporting System

B. Rates	Monthly Rate	Equipment Work Charge
1. ITT Emergency Call System Equipment		
10 Line capacity	\$ 20.80	Inside Premises Charge, Section 4
20 Line capacity	34.85	\$ 19.40
40 line capacity	91.55	38.75
2. Tellab's 291 Confer- ence Alerting System Common Equipment		
System I - capacity		
10 lines	104.40	407.00
System II - capacity		
20 lines	128.05	508.20
3. Annunciator Cabinet		
11 lamp cabinet, each	7.00	Basic
Connecting line cir- cuits - local private		
line channel charges	-	Basic

100.2.9 Auxiliary Bells, Gongs, Horns and Chimes

B. Rates

- Signal control equipment for one or more signals on the same circuit, for indoor mounting.

	Monthly Rate	Inside Premises Charge
Continuous	\$ 2.35	Basic
Noncontinuous	2.35	Basic
Explosive atmosphere, noncontinuous	5.50	Basic

2. Bells (Gongs)

- Operated by power from central office

(1) Inside mounting		
2"	0.80	Basic
4"	1.00	Basic
6"	1.55	Basic
Telephone bell in box as extension	1.00	Basic

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
(2) Outside mounting		
2"	\$ 2.00	Basic
4"	6.00	Basic
6"	7.50	Basic
Outdoor bell	1.00	Basic
b. Operated by commercial power		
(1) Inside mounting		
6"	2.00	Basic
8"	2.40	Basic
10"	2.60	Basic
(2) Outside mounting		
6"	3.00	Basic
8"	3.70	Basic
10"	4.20	Basic
12"	4.90	Basic
3. Horns		
a. Operated by commercial power only		
(1) Inside mounting		
Small	1.90	Basic
Medium	2.35	Basic
Extra Loud	4.65	Basic
(2) Outside mounting		
Small	2.60	Basic
Medium	3.70	Basic
Extra Loud	7.40	Basic
Large	4.05	Basic
4. Chimes		
a. Inside mounting only	4.05	Basic
5. Toggle Switches (Cam Type)		
1 key	1.00	Basic
2 key	2.00	Basic

OBSOLETE SERVICE OFFERINGS

100.2.10 SECRETARIAL ANSWERING CABINET

B. Rates	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
1. 6 line capacity	\$ 17.95	Basic
2. 10 line capacity	29.85	Basic
3. 20 line capacity	59.75	Basic
4. Line termination	-	Basic

100.2.11 Sound Systems and Voice Intercommunicating Equipment

B. Rates	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
1. Power Amplifiers		
25 Watt	\$ 9.50	Basic
40 Watt	15.50	Basic
75 Watt	17.95	Basic
150 Watt	28.90	Basic
2. Coin Type Sound Reproducers		
6 inch, surface wall	2.00	Basic
6 inch, flush wall	2.00	Basic
8 inch, surface, sloping front	2.50	Basic
8 inch, bi-directional	2.50	Basic
8 inch, surface ceiling	2.00	Basic
8 inch, flush ceiling, round grill	2.00	Basic
3. Trumpet Type Sound Reproducers		
15 watt, explosion proof including relay	9.50	Basic
25 watt, with transformer, weatherproof	4.05	Basic
40 watt, with transformer, weatherproof	5.00	Basic
25 watt, bi-directional, with transformer, weatherproof	4.60	Basic
4. Telephone System Input Coupling Units		
ETA107 KEY System Page Access	3.00	Basic
ETA103 PABX Coupling Box	2.50	Basic

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
5. Microphones		
Paging Microphone dynamic with preamp	\$ 6.00	Basic
Paging Microphone cardioid type	7.00	Basic
7. Signaling Input Devices		
M400S1 Tone Generator	5.30	Basic
9. System 1 - Multi Conversation System - Intercommunicating Equipment		
a. Control Stations		
(1) Selective call-up to 11 stations (111D)	10.30	Basic
(2) Selective call-up to 11 stations (111AD)	12.95	Basic
	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
b. Staff Stations		
(1) Call origination to (1) control station (11AL)	\$ 3.25	Inside Premises Charge
10. System 6 - Single Conver- sation System - Intercom- municating Equipment		
a. Amplifier and (1) Junction Box (6000K/J52)	11.50	\$ 16.35
b. Control Stations (1) Selective call-up to 6 stations (606D)	4.05	Inside Premises Charge

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
c. Staff Stations		
(1) Indoor Use		
(a) Flush or sur- face mount with busy light indicator (61L)	\$ 2.00	Inside Premises Charge
11. System 7 - Single Conversation System - Intercommuni- cating Equipment		
a. Control Stations: (Amplification included)		
(1) Connected to (1) staff or a group in parallel (701RKK)	4.05	Inside Premises Charge
	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
(3) Selective call up to 10 stations (710DKK)	\$ 7.95	Basic
b. Staff Stations		
(1) Indoor Use		
(a) Flush surface mount (81)	2.20	Basic
12. Special Equipment - Voice Intercommunicating Equipment		
a. Staff Stations for Outdoor Use, ea.		
(1) 10" Trumpet (C-23)	3.00	Basic
b. Junction Box (734), each	1.55	Basic
c. Junction Box (J52), each	1.55	Basic

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
d. Junction Control (J804), each	\$ 3.60	Basic
e. Power Supply (M217), each	4.05	Basic
f. Power Booster (P-29), each	4.05	Basic
g. Transformer (J629S42), each	1.00	Basic
h. Call Control (J635LS1), each	2.00	Basic
i. Call Switch (JRS41), each	1.00	Basic
m. Handset for use with Intercom Systems		
(1) Desk Type (1PTH 158L)	7.95	Basic
(2) Wall Type (Surface or Flush Mount) (1PTH 158LS/w2)	7.95	Basic
n. J-689 S42 Paging Relay	4.05	Basic

100.2.13 Telephone Pads

1. 12 Button Touch Tone Pad	4.95	Basic
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100.2.14 Call Diverters

B. Rates

1. Dacon MK-10-E (11 digit)	25.95	\$ 32.70
2. Dacon MK-10-14-E (14 digit)	28.40	32.70
3. Optional Equipment: Audible tone to called party (BOC)	3.55	Inside Premises Charge

OBSOLETE SERVICE OFFERINGS

100.2.15 AUTOMATIC TIME AND TEMPERATURE ANNOUNCEMENT SERVICE

Rates

Automatic Time and Temperature Announcement Service is furnished in addition to the filed monthly recurring rate for each Business One Party Line associated with the equipment.

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Automatic Time and Temperature Announcement Equipment	\$340.95	None
Announcement Line Connector, each	4.20	None
First recording of advertising's message, other than for mainte- nance purposes	-	\$96.80
Announcement Lines, each	Individual Business Line Rate	See inside Premises Charge, Section 4

100.2.16 AIR TRAFFIC CONTROL COMMUNICATION SYSTEM

B. Rates and Charges

The rates and charges specified herein are in addition to the rates and charges for the service with which the key equipment is associated. The initial contract period shall be 60 months, reducing 1/60 for each month in service.

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Common Equipment consists of (1) 405 and (1) 403 module (requires one of each to access special service circuit)	\$ 16.35	\$335.20
Apparatus Case (15A), capacity for 2, 403 modules	6.70	222.65
Handset/Headset	17.75	

OBSOLETE SERVICE OFFERINGS

100.2.17 CORDS

B. Rates

Regular line or handset cords,
coiled or straight

Less than 15' length
15' length or more

Inside Premises
Charge

Basic
Basic

100.3 KEY TELEPHONE SYSTEMS

100.3.1 Key Strips

6 Button

Monthly
Rate

\$ 9.00

Equipment Work
Charge

\$ 19.40

100.3.2 Two Talk Path Systems
Intercoms

18 Code Unit
Rotary Dial

29.85

26.05

100.3.3 Tie Key System 100

Common Equipment

35.85

65.35

Optional Equipment

Line Card
Call Announcing Card
Music on Hold without
Source

2.50
7.95
3.00

-
19.40
19.40

19 Station Intercom

7.95

19.40

Station Set Rates:

10 Button Memory w/outpulse
dial

20.75

19.40

Supplemental Equipment:

Exclusion per station
with release
Tone Oscillator, per
station equipped

1.55
1.00

19.40
19.40

OBSOLETE SERVICE OFFERINGS

100.3.6 Type C Systems

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
A. System 11A (capacity 6 lines, 12 stations, no intercom)		
Common equipment	\$ 12.95	\$ 26.05
Line equipment (one per line req'd)	4.90	None
B. System 11B (13 line capacity, 36 station maximum, no intercom)		
Common equipment	19.95	26.05
Line equipment (one per line req'd)	4.90	None
C. System 22A (6 line capacity 12 stations, equipped for standard 9 code intercom, optional code intercom expander)		
Common equipment	15.90	26.05
Line equip. (one per line req'd)	4.90	None
D. System 22B (13 line capa- city, 36 station maximum; equipped for standard 18 code intercom and optional intercom code expanders)		
Common equipment	23.85	26.05
Line equip. (one per line req'd)	4.90	None

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
E. System 22A and 22B Intercoms		
9 Code Unit		See Inside Premises Charge, Section 4
Rotary Dial	\$ 7.90	
Touch-Calling	14.95	
9 Code Intercom Expander (Rotary or Touch-Calling)	7.00	
F. System K36 (12 line capacity, 36 stations) common equipment including:		
18 station - two path rotary dial	152.25	\$ 65.35
18 station - two path touch-calling	170.15	65.35
18 station - four path rotary dial	157.20	65.35
Line equip. (one per line req'd)	4.90	None
Additional 3 code capacity		
two path rotary dial	9.90	15.75
two path touch-calling	9.90	15.75
100.3.8 Station Set Rates		
A. Type A, turn key		
Rotary	8.45	19.40
Touch Calling	9.20	19.40
B. Type B, 3 line - 3 hold, each		
Rotary	9.60	19.40
Touch Calling	10.15	19.40
C. Type C		
6 button (Rotary dial)	11.50	19.40
6 button (touch-calling)	13.05	19.40
10 button (rotary dial w/busy field)	17.60	26.05
10 button (rotary dial)	13.05	26.05
10 button (rotary dial) with built-in speakerphone	14.55	26.05
10 button (touch-calling w/busy field)	19.15	26.05

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
10 button (touch calling)	\$ 14.55	\$ 26.05
10 button (touch-calling) with built-in speakerphone	16.15	26.05
12 button (rotary dial)	17.60	26.05
12 button (touch-calling)	19.15	26.05
18 button (rotary dial)	20.70	32.70
20 button (touch-calling)		
with built-in speakerphone	26.80	32.70
30 button (touch-calling)	31.45	32.70
 100.3.9 <u>Supplemental Equipment</u>		
A. Manual intercom common equipment	2.00	Inside Premises Charge
B. Power supply for lights only (Type B Systems)	6.00	\$ 6.70
C. Buttons, each	0.50	Inside Premises Charge
D. Buzzers, each	0.50	Inside Premises Charge
E. Manual exclusion, per set	2.15	Inside Premises Charge
F. Automatic or ringdown signaling unit	7.95	\$ 13.05
G. 18 Station Busy Lamp Field	10.75	182.75
H. Music on hold, per 5 lines	4.95	Inside Premises Charge
I. 6034 Toll restrictor card, each (used with System 22A)	5.25	\$ 13.05

100.4 PRIVATE BRANCH EXCHANGE SERVICE

100.4.1 L55 PBX (Manual System)

Capacity 60 lines, 10 trunks and 10 cord circuits	149.30	129.50
Internal Dial	55.70	See Inside Premises Charge, Section 4

OBSOLETE SERVICE OFFERINGS

100.4.2 S/C 10 PABX

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Common Equipment	\$139.15	\$ 65.35
Additional Trunk Terminal, each	12.50	None
Attendants console (4 trk. capacity)	34.85	19.40
Message Registers (35 ln. capacity)	24.90	26.05
Toll Restriction, per trunk	4.95	13.05

100.4.3 S/C 30 PABX, Series Systems

30 6-50-6 System	257.45	324.30
30 20-100-12 System	496.80	520.30
Toll Restriction, per trunk	6.00	6.55
Line Terminals, each	1.55	None
Trunk Terminals, each	13.95	13.05
Lines, each	12.00	13.05
Conference Service 1 trunk and 5 stations	19.95	26.05
Attendants Console (20 trunks, 100 line capacity)	43.75	65.35
Standby Power	89.55	65.35
Pre-determined Night Answering, per trunk	4.95	13.05

100.4.4 S/C 40 PABX

Common Equipment	218.50	292.85
Trunk Terminals	15.90	13.05
Line Terminals	2.00	None
Selectors	7.95	None
Connectors, each	7.95	None
Operator Trunk Terminals, call completion, each	9.90	13.05
Attendant's Turret, desk mounted	69.60	90.75
Night Answer, Common	10.45	13.05

100.4.5 S/C F40 PABX

Common Equipment	69.60	65.35
Attendant Console	29.85	38.75
Line Terminals, each	2.00	None
Trunk Terminals, each	12.00	19.40
Links, each	7.95	13.05

OBSOLETE SERVICE OFFERINGS

100.4.7 S/C Type H PABX

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Common Equipment for 200 line system	\$298.50	\$648.60
Attendant Console (cord type)	149.30	389.65
Line Terminals, each	3.00	None
Trunk Terminal, each	7.95	19.40
Selectors, each	13.95	19.40
Connectors, each	13.95	19.40
Finders, each	13.95	19.40
Universal Toll Restriction	19.95	None
Toll Restriction, per trunk	6.00	None
Conference Circuit (5 capacity)	19.95	19.40
Code Call (28 code)	31.90	32.70
Pre-determined Night Answering, per trunk equipped	4.95	13.05

100.4.8 S/C 400 PABX

Basic System 423	656.85	1948.10
Line Terminals, per 10	14.50	32.70
Junctors (regular), each	7.95	19.40
C.O. Trunk Terminal, with transfer, each	18.95	19.40
LD Trunk Terminal, each	9.90	26.05
Tie Line Terminal, each	24.90	45.40
Battery Charger & Batteries (8 hour)	153.20	324.30
Paging Adaptor, each	17.95	32.70
Busy Field, each 200 lines	43.75	97.40
Outgoing Register Sender		
Trunk positions 1 thru 12, each	35.80	26.05
Trunk positions 13 thru 20, each	11.50	19.40
Toll Restrictions, per system	6.00	19.40
Pre-determined Night Answer, per system	6.00	19.40
Meet-Me-Conference Circuit	13.95	38.75
Dial Up Conference	32.15	65.35

OBSOLETE SERVICE OFFERINGS

100.4.9 SG1 Type PABX

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Basic Common Equipment		
- 40 lines, 15 trunks, rotary dial	\$236.75	\$260.15
- 80 lines, 15 trunks, rotary dial	268.60	260.15
- 80 lines, 30 trunks, rotary dial	301.45	260.15
Attendant console		
- with busy lamp field (40 lines)	36.30	26.05
- with busy lamp field (80 lines)	46.35	26.05
Trunk Terminal, each	7.30	13.05
Tie Line Trunk Terminal, each	7.95	13.05
Line Terminal, one required for each two (2) lines	4.95	6.55
Camp-on and Trunk Answer for any station (per system)	5.95	6.55
Attendant Conference	16.85	26.05
Executive Ringback - Override	8.80	13.05
Toll Restriction (2 digit only, per system)	7.95	13.05
Paging Adaptor, each	4.05	13.05
Dial Dictation Trunk, each	4.05	6.55
Music on Hold Trunk	9.50	-
Touch Calling, per system (40 lines)	37.75	32.70
Touch Calling, per system (80 lines)	51.85	32.70
Touch Calling Receiver	15.55	13.05
Enhancement Features		
Call Pickup Directed	8.65	26.05
Call Forwarding	12.55	-

100.4.10 UH-30 PABX

Common Equipment	199.00	194.81
Station Lines, each 5	7.95	26.05
Intercom Links, each	12.00	19.40
Trunk Terminals, each	23.85	19.40
Attendant's Console, each	39.85	65.35
Busy Lamp Field	9.90	45.40
Conference, "Meet-Me"	19.95	19.40
Night Answering, common	7.95	None
Paging Adaptor	9.90	19.40
Toll Restriction, per trunk	7.95	13.05
Tie Line Selectors, each	4.20	19.40

OBSOLETE SERVICE OFFERINGS

100.4.11 UH-45 PABX

	Monthly Rate	Equipment Work Charge
Common Equipment	\$199.00	\$260.15
Each Working		
Station Lines, each 5	7.95	19.40
Intercom Links, each	12.00	13.05
Trunk Terminals, each	23.85	13.05
Busy Lamp Field	19.95	45.40
Conference ("Meet-Me")	19.95	19.40
Night Answering (common)	7.95	13.05
Paging Adaptor	9.80	19.40
Toll Restriction, per trunk	7.95	13.05
Standby Power Supply	89.55	65.35

100.4.12 UH 300 Type PABX

Common Equipment		
- 100 sta. lines, 12 IC		
links, 15 trk. terms.	378.10	453.75
- 150 sta. lines, 18 IC links,		
20 trk. terms.	557.15	519.10
Power supply - Battery Eliminator		
for - 100 lines	47.75	38.75
Lines, each 10	23.85	45.40
Intercom Links, each 2	19.95	19.40
Trunk Terminals, each	23.85	19.40
Standby Power -		
- 101-200 lines	129.40	129.50
Automatic Call Transfer (10-1)	25.90	13.05
Busy Lamp Field, each 50 lines		
equipped	19.95	45.40
Call Transfer (dial "1"), per		
trunk	-	None
Message Waiting, each station		
equipped	1.00	None
Night Answering (Common)	7.95	13.05
Paging Adaptor	9.80	19.40
Toll Diversion, each trunk	12.00	13.05
Console, Attendant's Second		
Console	59.75	32.70

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100.4.13 UH 900 Type PABX

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Common Equipment	\$1552.05	\$1948.10
Line Terminals, per 10	23.85	45.40
Intercom Links, each 2	15.90	19.40
Trunk Terminals, each	29.85	19.40
Standby Power - 300-400 lines	149.30	129.50
Conferencing -		
- "Meet-Me" (up to 4 stations)	19.95	19.40
Executive Right-of-Way		
- First 50 line group equipped	29.85	13.05
- Each additional 50 line group equipped	4.95	None
Paging Adaptor	9.90	19.40
Toll Diversion, each trunk	12.00	13.05
Encoder (Motorola 90 Call)	298.50	260.15

100.4.14 ARD 561 PABX

Common Equipment		
Basic System No. II	994.95	1298.35
Additional Line Terminals, each	89.55	65.35
Additional Links, each	15.90	26.05
Trunk Terminals, each	29.85	19.40
Tie Line Terminals, each	39.85	26.05
Paging Adaptor	9.90	19.40
Toll Restriction System II	63.65	52.05
Standby Power System II	149.30	129.50

100.4.16 1201 Expandable Digital Switching System

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Common Equipment		
Capacity of 63 positions, 504 addresses	\$716.35	\$1948.10
Additional Equipment and Service		
Multi Class Line Unit (for 8 lines)	41.75	26.05
Ground/Loop Trunk Unit (for 8 trunks)	45.35	26.05
Trunk By-Pass (each 4 Trunks) (requires Auxiliary Shelf)	5.50	26.05
Auxiliary Shelf (12 card capacity)	6.00	32.70
Toll Restrictor Unit	23.85	32.70
Standby Power (8 hours)	238.85	128.85

OBSOLETE SERVICE OFFERINGS

100.4.17 Siemens SD-192/232

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
<u>Common Equipment:</u>		
SD - 192/232 System I System ID Capacity: 48 lines, 12 trunks, 24 junctors & 2 attendant con- soles. Equipped With: 0 lines, 0 trunks, 0 junctors, 0 consoles, AC power and standard features	\$365.05	\$1102.95
<u>Equipment to Increase Business System Capacity:</u>		
First Addition: 48 lines and 16 trunks (to capacity of 96 lines and 28 trunks)	104.75	340.05
Second Addition: 48 lines and 16 trunks (to capacity of 144 lines and 44 trunks)	117.40	340.05
<u>Attendant Equipment:</u>		
Business Attendant Console	43.90	151.60
Business Attendant Busy Lamp Field	23.15	-
<u>Auxiliary Common Equipment - All Systems:</u>		
Station Line Terminal, each 8 Trunk Terminal	25.45	21.45
Each 4, 2 way	27.45	21.45
Each 2, 2 way	17.05	-
Each 4, 1-way out only	22.35	21.45
Direct Inward Dial or Tie Line (Loop)		
Each 2	21.65	21.45
Tie Line Terminal (Receive & Transmit)		
Each 4	40.30	21.45
Junctors		
Each 8	13.90	21.45

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
<u>Optional Equipment/Features - Business:</u>		
Conference Unit (max. 1 attendant conference and 1 meet-me, or 2 meet-me units per system)	\$ 23.80	\$ 42.95
Line Ringing Lamp Display (for Dial Call Pick-up) 12 Lines	5.10	111.95
<u>Optional Equipment/Features- All Systems:</u>		
Power Failure Transfer, each 4 trunks	7.00	65.35
Paging Interface, per zone		
Trunk Access - when switching or muting is not required.	-	-
Station Access - when discon- nect supervision, muting or switching is required. Requires 840 power supply and mounting assembly.	7.75	64.50
Touchtone Dial (DTMF) Receivers		
Each 2	44.75	21.45
Each 1	23.50	21.45

100.5 INTERCONNECTIONS WITH COMMUNICATION EQUIPMENT PROVIDED BY THE CUSTOMER

100.5.1 Data access arrangement for connection of customer provided data transmitting and/or receiving equipment:

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
a. 1000A Data Coupler	\$ 6.40	Basic
b. 1001A Data Coupler	15.90	Basic
c. 1001B Data Coupler	9.10	Basic

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100.5.2 Connecting arrangement to provide for automatic connection of customer provided voice transmitting and/or receiving terminal equipment:

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
a. 30A Voice Coupler including exclusion type telephone	\$ 3.65	Basic
b. 20721-L1 Voice Coupler, per line	15.45	Basic
c. 20721-L2 Voice Coupler, per line	21.80	Basic

100.5.3 Recording, Reproducing and Automatic Answering and Recording Equipment Provided by the Customer:

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
a. Recorder Connector Equipment		
1. With an automatic recorder tone device (19645-L2)	\$ 13.70	Basic
2. Portable jack box associated with portable recorder connector equipment for use at cord switchboards	2.45	None
3. For the connection of attended customer provided recording equipment with the facilities of the company Jack for portable recorder connector equipment	1.00	Basic

100.5.4 Alarm Detection and Reporting Equipment Provided by the Customer:

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
a. Alarm Coupler combined with tone signalling unit, 20445-L2	\$ 15.45	Basic

OBSOLETE SERVICE OFFERINGS

100.5.6 Key Systems provided by the Customer

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
a. CAC K-1-2 (RR) Coupler	\$ 11.85	Basic

100.6 DATA TRANSMITTING AND RECEIVING EQUIPMENT AND
TELETYPEWRITER EQUIPMENT

100.6.2 Rates and Charges

The following charges apply to the facilities provided and
are in addition to other rates and charges applicable:

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
A. Data Sets		
1. 100 Series		
Suitable for sending and receiving signals at rates up to 300 bits per second in sequence		
- combined sending and receiving		
- single installation (103 type)	\$ 62.50	\$ 13.05
- T113A Data Set with 502 Data Auxiliary Set	34.95	19.40
2. 200 Series		
Suitable for conditioning signals at rates of 2000 or 2400 bits per second in sequence		
- 201C Data Set equipped with 565 Sub Set	128.60	71.40

OBSOLETE SERVICE OFFERINGS

	<u>Monthly Rate</u>	<u>Equipment Work Charge</u>
Suitable for conditioning signals at rates up to 4800 bits per second in sequence		
T208A	\$315.95	\$220.25
201A Combined Sending and Receiving	284.75	116.80
202S LIA/2 with telephone	71.75	65.35
209A	424.30	65.35
208B with 565 auxiliary set	233.35	65.35

100.7 MOBILE TELEPHONE SERVICE

100.7.3 Rates

A. General Service

General service is furnished between any wire telephone within the mobile service area and a mobile unit within range of the land radiotelephone station serving that area, or between two mobile units, under the following monthly rates per unit:

1. Where Company furnishes and maintains unit: \$69.60
2. Where Subscriber furnishes and maintains unit: \$34.80
3. Where Company maintains Subscriber's unit: \$48.70

B. Installation Charge

Installation of mobile equipment rented to a subscriber or installation of equipment owned by the subscriber: \$38.50

E. Supplemental Equipment and Miscellaneous Charges

1. Weatherproof equipment cabinet for mounting radio equipment, when required - each:

Inside Premises Charge	Basic
Monthly Charge	\$7.65

OBSOLETE SERVICE OFFERINGS

2. Power supply generators for mobile telephones located at permanent installations of a nonvehicle, immobile nature when a commercial power supply is unavailable, including two batteries, fuel, automatic turn-on switch and housing unit:

Equipment Work Charge	\$33.00
Monthly Charge	37.60

3. Extension telephone in passenger cars, trunks or trailers - customers will provide any recessing necessary for the proper installation of the set:

Inside Premises Charge	Basic
Monthly Charge	\$8.40

4. Flexible cable with jack and plug arrangement for connection between cab or car and trailer:

Monthly Charge	\$3.80
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5. Relay control equipment for a customer-owned auxiliary horn or lamp signal for cars, trunks, or trailers:

Monthly Charge	\$1.90
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6. Auxiliary horns, buzzers, bells, gongs or howlers:

Monthly Charge	\$5.55
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100.8 FOREIGN EXCHANGE SERVICE

B. Rates

1. Where the foreign exchange is so provided direct from the foreign exchange to the applicant's location:

(a) For the distance from the subscriber's location to the rate center of the foreign exchange area from which service is furnished, a mileage charge of \$4.70 per mile or fraction thereof airline measurement, per circuit applies.

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100.9 OTHER SPECIAL ASSEMBLY EQUIPMENT

100.9.1 Automatic Warning Equipment

	<u>Monthly Rate</u>	<u>Inside Premises Charge</u>
Adcor alarm center	\$ 17.45	Basic
Power transformer	0.50	Basic
Line seizure	0.30	Basic

100.9.2 Burglar Alarm System

Telemergency dialer	13.55	Basic
Door contacts	0.75	Basic
Panic buttons	0.75	Basic
Alarm control unit F276	29.20	Basic
Pick proof key switch A34729	1.25	Basic
Nonrestorable alarm counter	0.75	Basic

100.9.3 K36A System

Common equipment	122.45	Basic
Additional 3 station rotary	7.00	Basic
Additional station tel-touch	7.00	Basic

100.9.4 Key Equipment

Multi-line set e/w Push Buttons	8.30	Basic
Touch Tone Intercom	18.15	Basic